



House of Representatives

General Assembly

File No. 203

February Session, 2022

Substitute House Bill No. 5331

House of Representatives, March 30, 2022

The Committee on General Law reported through REP. D'AGOSTINO of the 91st Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE LIQUOR CONTROL ACT AND RELATED STATUTES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) For the purposes of this
2 section:

3 (1) "Domestic manufacturer" means the holder of a manufacturer
4 permit for (A) spirits issued under subsection (a) of section 30-16 of the
5 general statutes, (B) beer issued under subsection (b) of section 30-16 of
6 the general statutes, as amended by this act, (C) a farm winery issued
7 under subsection (c) of section 30-16 of the general statutes, or (D) wine,
8 cider and mead issued under subsection (d) of section 30-16 of the
9 general statutes;

10 (2) "Eligible festival sponsor" means an entity operating on a
11 nonprofit basis in this state, including, but not limited to, (A) an
12 association, or a subsidiary of an association, that promotes
13 manufacturing and selling alcoholic liquor in this state, (B) a civic

14 organization operating in this state, and (C) a municipality in this state;

15 (3) "Festival" means an indoor or outdoor event organized and
16 sponsored by a festival sponsor and attended by at least three domestic
17 manufacturers;

18 (4) "Festival permit" means a permit issued by the Commissioner of
19 Consumer Protection to a festival sponsor under this section;

20 (5) "Festival sponsor" means an eligible festival sponsor that receives,
21 and is the holder of, a festival permit;

22 (6) "Foreign manufacturer" means any out-of-state person who, or
23 out-of-state entity that, (A) holds a valid permit or license issued by
24 another state that authorizes such person or entity to manufacture
25 alcoholic liquor in such other state, and (B) either (i) holds an (I) out-of-
26 state shipper's permit for alcoholic liquor other than beer issued under
27 section 30-18 of the general statutes, (II) out-of-state winery shipper's
28 permit for wine issued under section 30-18a of the general statutes, or
29 (III) out-of-state shipper's permit for beer issued under section 30-19 of
30 the general statutes, or (ii) maintains an active alcoholic liquor brand
31 registration with the Department of Consumer Protection; and

32 (7) "Participating manufacturer" means a domestic manufacturer or
33 foreign manufacturer that participates in a festival after receiving an
34 invitation from the festival sponsor to participate in such festival.

35 (b) (1) (A) Except as provided in subdivision (2) of this subsection, a
36 festival permit shall allow an eligible festival sponsor to organize and
37 sponsor a festival in this state in accordance with the provisions of this
38 section by inviting domestic manufacturers and foreign manufacturers
39 to participate in such festival. Each festival permit issued by the
40 Commissioner of Consumer Protection under this section shall be
41 effective for not more than four consecutive days, and shall allow the
42 festival sponsor to hold the festival on the days and times permitted
43 under subsection (j) of section 30-91 of the general statutes, as amended
44 by this act. The fee for each festival permit shall be seventy-five dollars.

45 (B) The commissioner shall not issue a permit under this section
46 unless the eligible festival sponsor has received all approvals required
47 under local fire and zoning regulations.

48 (C) The festival sponsor shall disclose to each person who purchases
49 admission to the festival, at the time such person purchases such
50 admission, any and all restrictions or limitations of such admission,
51 including, but not limited to, the maximum number of glasses or other
52 receptacles suitable to permit the consumption of alcoholic liquor such
53 person is entitled to receive by virtue of purchasing such admission.

54 (2) Any municipality may, by ordinance or zoning regulation,
55 prohibit festivals in such municipality.

56 (c) (1) Any domestic manufacturer or foreign manufacturer may
57 participate in a festival organized and sponsored by a festival sponsor
58 that invites such domestic manufacturer or foreign manufacturer to
59 participate in such festival.

60 (2) Each participating manufacturer may, during the festival and for
61 the alcoholic liquor such participating manufacturer has manufactured:

62 (A) Sell and directly ship to festival visitors, at addresses inside or
63 outside this state if allowed under section 30-16 of the general statutes,
64 as amended by this act, and the laws of the receiving state, alcoholic
65 liquor that such participating manufacturer sells to festival visitors at
66 such festival;

67 (B) Offer to festival visitors free or paid samples or tastings of
68 alcoholic liquor for consumption on the festival premises;

69 (C) Sell, at retail, for consumption off the festival premises and in
70 accordance with the provisions of section 30-16 of the general statutes,
71 as amended by this act, bottles and other sealed containers of alcoholic
72 liquor; and

73 (D) Sell, at retail, alcoholic liquor by the glass or receptacle for
74 consumption on the festival premises, provided each such glass or

75 receptacle is embossed or otherwise permanently labeled with the name
76 and date of the festival.

77 (3) No participating manufacturer may give, offer or sell to any
78 person or entity any alcoholic liquor that such participating
79 manufacturer has not manufactured. Nothing in this section shall be
80 construed to authorize any foreign manufacturer to engage in any
81 activity that is not authorized under the laws of the state in which such
82 foreign manufacturer is permitted or licensed.

83 (d) A municipality may, by ordinance or zoning regulation, require
84 festival sponsors to ensure that:

85 (1) Restrooms, or enclosed portable toilets, are available either on or
86 near the festival premises; and

87 (2) Food is available to festival visitors for consumption on the
88 festival premises during all operating hours, provided no such
89 ordinance or zoning regulation shall require that food be purchased
90 with an alcoholic beverage.

91 (e) Festival sponsors shall be exempt from the requirements to affix
92 and maintain a placard, as provided in subdivision (3) of subsection (b)
93 of section 30-39 of the general statutes, as amended by this act. The
94 provisions of subsection (c) of section 30-39 of the general statutes, as
95 amended by this act, shall not apply to festival permits.

96 Sec. 2. Subsections (b) and (c) of section 30-39 of the 2022 supplement
97 to the general statutes are repealed and the following is substituted in
98 lieu thereof (*Effective from passage*):

99 (b) (1) Any person desiring a liquor permit or a renewal of such a
100 permit shall make an affirmed application therefor to the Department of
101 Consumer Protection upon forms to be furnished by the department,
102 showing the name and address of the applicant and of the applicant's
103 backer, if any, the location of the club or place of business which is to be
104 operated under such permit and a financial statement setting forth all
105 elements and details of any business transactions connected with the

106 application. Such application shall include a detailed description of the
107 type of live entertainment that is to be provided. A club or place of
108 business shall be exempt from providing such detailed description if the
109 club or place of business (A) was issued a liquor permit prior to October
110 1, 1993, and (B) has not altered the type of entertainment provided. The
111 application shall also indicate any crimes of which the applicant or the
112 applicant's backer may have been convicted. Applicants shall submit
113 documents sufficient to establish that state and local building, fire and
114 zoning requirements and local ordinances concerning hours and days
115 of sale will be met, except that local building and zoning requirements
116 and local ordinances concerning hours and days of sale shall not apply
117 to a cafe permit issued [pursuant to] under subsection (d) of section 30-
118 22a. The State Fire Marshal or the marshal's certified designee shall be
119 responsible for approving compliance with the State Fire Code at
120 Bradley International Airport. Any person desiring a permit provided
121 for in section 30-33b shall file a copy of such person's license with such
122 application if such license was issued by the Department of Consumer
123 Protection. The department may, at its discretion, conduct an
124 investigation to determine whether a permit shall be issued to an
125 applicant.

126 (2) The applicant shall pay to the department a nonrefundable
127 application fee, which fee shall be in addition to the fees prescribed in
128 this chapter for the permit sought. An application fee shall not be
129 charged for an application to renew a permit. The application fee shall
130 be in the amount of ten dollars for the filing of each application for a
131 permit by a charitable organization under section 30-37b, including a
132 nonprofit public television corporation under section 30-37d, a
133 nonprofit golf tournament permit under section 30-37g, a temporary
134 permit under section 30-35 or a special club permit [; and for all other
135 permits] under section 30-25; and in the amount of one hundred dollars
136 for the filing of an initial application for all other permits. Any permit
137 issued shall be valid only for the purposes and activities described in
138 the application.

139 (3) The applicant, immediately after filing an application, shall give

140 notice thereof, with the name and residence of the permittee, the type of
141 permit applied for and the location of the place of business for which
142 such permit is to be issued and the type of live entertainment to be
143 provided, all in a form prescribed by the department, by publishing the
144 same in a newspaper having a circulation in the town in which the place
145 of business to be operated under such permit is to be located, at least
146 once a week for two successive weeks, the first publication to be not
147 more than seven days after the filing date of the application and the last
148 publication not more than fourteen days after the filing date of the
149 application. The applicant shall affix, and maintain in a legible condition
150 upon the outer door of the building wherein such place of business is to
151 be located and clearly visible from the public highway, the placard
152 provided by the department, not later than the day following the receipt
153 of the placard by the applicant. If such outer door of such premises is so
154 far from the public highway that such placard is not clearly visible as
155 provided, the department shall direct a suitable method to notify the
156 public of such application. When an application is filed for any type of
157 permit for a building that has not been constructed, such applicant shall
158 erect and maintain in a legible condition a sign not less than six feet by
159 four feet upon the site where such place of business is to be located,
160 instead of such placard upon the outer door of the building. The sign
161 shall set forth the type of permit applied for and the name of the
162 proposed permittee, shall be clearly visible from the public highway and
163 shall be so erected not later than the day following the receipt of the
164 placard. Such applicant shall make a return to the department, under
165 oath, of compliance with the foregoing requirements, in such form as
166 the department may determine, but the department may require any
167 additional proof of such compliance. Upon receipt of evidence of such
168 compliance, the department may hold a hearing as to the suitability of
169 the proposed location. The provisions of this subdivision shall not apply
170 to applications for (A) airline permits issued under section 30-28a, (B)
171 charitable organization permits issued under section 30-37b, (C)
172 temporary permits issued under section 30-35, (D) special club permits
173 issued under section 30-25, (E) concession permits issued under section
174 30-33, (F) military permits issued under section 30-34, (G) cafe permits

175 issued [pursuant to] under subsection (j) or (k) of section 30-22a, (H)
176 warehouse permits issued under section 30-32, (I) [brokers'] broker's
177 permits issued under section 30-30, (J) out-of-state [shippers'] shipper's
178 permits for alcoholic liquor [and] issued under section 30-18, (K) out-of-
179 state [shippers'] shipper's permits for beer [, (K)] issued under section
180 30-19, (L) coliseum permits [, (L)] issued under section 30-33a, (M)
181 nonprofit golf tournament permits [, (M)] issued under section 30-37g,
182 (N) nonprofit public television corporation permits [, (N)] issued under
183 section 30-37d, (O) Connecticut craft cafe permits [by] issued under
184 section 30-22d, as amended by this act, to permittees who held a
185 manufacturer permit for a brew pub or a manufacturer permit for [a]
186 beer issued under subsection (b) of section 30-16, as amended by this
187 act, and a brew pub [prior to] before July 1, 2020, [and (O) renewals] (P)
188 festival permits issued under section 1 of this act, and (Q) renewals of
189 any [such permits] permit described in subparagraphs (A) to (P),
190 inclusive, of this subdivision, if applicable. The provisions of this
191 subdivision regarding publication and placard display shall also be
192 required of any applicant who seeks to amend the type of entertainment
193 either upon filing of a renewal application or upon requesting
194 permission of the department in a form that requires the approval of the
195 municipal zoning official.

196 (4) In any case in which a permit has been issued to a partnership, if
197 one or more of the partners dies or retires, the remaining partner or
198 partners need not file a new application for the unexpired portion of the
199 current permit, and no additional fee for such unexpired portion shall
200 be required. Notice of any such change shall be given to the department
201 and the permit shall be endorsed to show correct ownership. When any
202 partnership changes by reason of the addition of one or more persons, a
203 new application with new fees shall be required.

204 (c) Any ten persons who are at least eighteen years of age, and are
205 residents of the town within which the business for which the permit or
206 renewal thereof has been applied for, is intended to be operated, or, in
207 the case of a manufacturer's or a wholesaler's permit, any ten persons
208 who are at least eighteen years of age and are residents of the state, may

209 file with the department, within three weeks from the last date of
210 publication of notice made pursuant to subdivision (3) of subsection (b)
211 of this section for an initial permit, and in the case of renewal of an
212 existing permit, at least twenty-one days before the renewal date of such
213 permit, a remonstrance containing any objection to the suitability of
214 such applicant or proposed place of business, provided any such issue
215 is not controlled by local zoning. Upon the filing of such remonstrance,
216 the department, upon written application, shall hold a hearing and shall
217 give such notice as it deems reasonable of the time and place at least five
218 days before such hearing is had. The remonstrants shall designate one
219 or more agents for service, who shall serve as the recipient or recipients
220 of all notices issued by the department. At any time prior to the issuance
221 of a decision by the department, a remonstrance may be withdrawn by
222 the remonstrants or by such agent or agents acting on behalf of such
223 remonstrants and the department may cancel the hearing or withdraw
224 the case. The decision of the department on such application shall be
225 final with respect to the remonstrance. The provisions of this subsection
226 shall not apply to festival permits issued under section 1 of this act.

227 Sec. 3. Section 30-43a of the general statutes is repealed and the
228 following is substituted in lieu thereof (*Effective from passage*):

229 The holder of a permit issued prior to July 1, 2020, [pursuant to]
230 under section 30-16, as amended by this act, 30-16a, 30-19f, 30-20a, 30-
231 21, 30-22, 30-22a, 30-23, 30-24a, 30-26, 30-28, 30-29, 30-33a, 30-33b, 30-
232 33c, 30-37c, 30-37j, [30-37l,] 30-37o, 30-37p, 30-37q or 30-37r, as amended
233 or repealed by public act 19-24, may continue to hold such permit until
234 such permit becomes due for renewal or until such time as a
235 replacement permit becomes available for such permit holder to obtain.

236 Sec. 4. Subsection (a) of section 30-48 of the 2022 supplement to the
237 general statutes is repealed and the following is substituted in lieu
238 thereof (*Effective from passage*):

239 (a) No backer or permittee of one permit class shall be a backer or
240 permittee of any other permit class except in the case of cafe permits
241 issued [pursuant to] under subsection (d), (j) or (k) of section 30-22a and

242 except that: (1) A backer of a hotel permit issued under section 30-21 or
243 a restaurant permit issued under section 30-22 may be a backer of both
244 such classes; (2) a holder or backer of a restaurant permit issued under
245 section 30-22 or a cafe permit issued [pursuant to] under subsection (a)
246 of section 30-22a may be a holder or backer of any other or all of such
247 classes; (3) a holder or backer of a restaurant permit issued under section
248 30-22 may be a holder or backer of a cafe permit issued [pursuant to]
249 under subsection (f) of section 30-22a; (4) a backer of a restaurant permit
250 issued under section 30-22 may be a backer of a coliseum permit issued
251 under section 30-33a when such restaurant is within a coliseum; (5) a
252 backer of a hotel permit issued under section 30-21 may be a backer of a
253 coliseum permit issued under section 30-33a; (6) a backer of a grocery
254 store beer permit issued under subsection (b) of section 30-20 may be
255 (A) a backer of a package store permit issued under subsection (a) of
256 section 30-20 if such was the case on or before May 1, 1996, and (B) a
257 backer of a restaurant permit issued under section 30-22, provided the
258 restaurant permit premises do not abut or share the same space as the
259 grocery store beer permit premises; (7) a backer of a cafe permit issued
260 [pursuant to] under subsection (m) of section 30-22a, may be a backer of
261 a nonprofit theater permit issued under section 30-35a; (8) a backer of a
262 nonprofit theater permit issued under section 30-35a may be a holder or
263 backer of a hotel permit issued under section 30-21 or a coliseum permit
264 issued under section 30-33a; (9) a backer of a concession permit issued
265 under section 30-33 may be a backer of a coliseum permit issued under
266 section 30-33a; (10) a holder of an out-of-state winery shipper's permit
267 for wine issued under section 30-18a may be a holder of an in-state
268 transporter's permit [or an out-of-state entity wine festival permit issued
269 pursuant to section 30-37m, or of both such permits] issued under
270 section 30-19f; (11) a holder of an out-of-state shipper's permit for
271 alcoholic liquor [other than beer] issued under section 30-18 or an out-
272 of-state winery shipper's permit for wine issued under section 30-18a
273 may be a holder of an in-state transporter's permit issued under section
274 30-19f; (12) a holder of a manufacturer permit for a farm winery [or the
275 holder of] issued under subsection (c) of section 30-16 or a manufacturer
276 permit for wine, cider and mead issued under subsection (d) of section

277 30-16 may be a holder of an in-state transporter's permit [, a wine festival
278 permit issued pursuant to section 30-37l] issued under section 30-19f, a
279 farmers' market sales permit issued [pursuant to] under subsection (a)
280 of section 30-37o, an off-site farm winery sales and tasting permit issued
281 [pursuant to] under section 30-16a or [of] any combination of such
282 permits; (13) a holder of a manufacturer permit for beer issued under
283 subsection (b) of section 30-16, as amended by this act, may be a holder
284 of a farmers' market sales permit issued [pursuant to] under subsection
285 (a) of section 30-37o; (14) the holder of a manufacturer permit for spirits,
286 [a manufacturer permit for beer, a manufacturer permit for] beer, a farm
287 winery or [a manufacturer permit for] wine, cider and mead, issued
288 under subsection (a), (b), (c) or (d), respectively, of section 30-16, as
289 amended by this act, may be a holder of a Connecticut craft cafe permit
290 issued under section 30-22d, as amended by this act, a restaurant permit
291 or a restaurant permit for wine and beer [; and] issued under section 30-
292 22; (15) the holder of a restaurant permit issued under section 30-22 or a
293 cafe permit issued under section 30-22a may be the holder of a seasonal
294 outdoor open-air permit issued [pursuant to] under section 30-22e; and
295 (16) the holder of a festival permit issued under section 1 of this act may
296 be the holder or backer of one or more of such other classes. Any person
297 may be a permittee of more than one permit. No holder of a
298 manufacturer permit for a brew pub and no spouse or child of such
299 holder may be a holder or backer of more than three restaurant permits
300 issued under section 30-22 or cafe permits issued under section 30-22a.

301 Sec. 5. Subsection (j) of section 30-91 of the 2022 supplement to the
302 general statutes is repealed and the following is substituted in lieu
303 thereof (*Effective from passage*):

304 (j) The retail sale of [wine] alcoholic liquor, and [the tasting of free
305 samples of wine by] the provision of samples or tastings of alcoholic
306 liquor, to festival visitors [and prospective retail customers of a
307 permittee holding a wine festival permit or an out-of-state entity wine
308 festival permit issued pursuant to section 30-37l or 30-37m] at a festival
309 organized and sponsored under a festival permit issued under section 1
310 of this act shall be unlawful on Sunday before [eleven] ten o'clock a.m.

311 and after [eight] six o'clock p.m., and on any other day before [ten] eight
312 o'clock a.m. and after [eight] ten o'clock p.m. Any town may, by vote of
313 a town meeting or by ordinance, reduce the number of hours during
314 which the retail sale, [of wine and the tasting of free samples of wine
315 pursuant to] tasting or sampling of alcoholic liquor under this
316 subsection shall be permissible.

317 Sec. 6. Subsection (b) of section 30-16 of the 2022 supplement to the
318 general statutes is repealed and the following is substituted in lieu
319 thereof (*Effective from passage*):

320 (b) A manufacturer permit for beer shall allow the manufacture of
321 beer and the storage, bottling and wholesale distribution and sale of
322 beer manufactured or bottled on the premises of the permittee to
323 permittees in this state and without the state as may be permitted by
324 law, but no such permit shall be granted unless the place or the plan of
325 the place of manufacture has received the approval of the Department
326 of Consumer Protection. A holder of a manufacturer permit for beer
327 who sells beer brewed on such premises at wholesale to retail permittees
328 within this state shall make such beer available to all holders of a
329 package store permit issued pursuant to section 30-20 and to all holders
330 of a grocery store beer permit held pursuant to said section in the
331 geographical region in which the holder of the manufacturer permit for
332 beer self distributes, subject to reasonable limitations, as determined by
333 the Department of Consumer Protection. Such permit shall also allow
334 (1) the retail sale of such beer, and beer brewed in collaboration with at
335 least one other holder of such a permit, to be consumed on the premises
336 with or without the sale of food, (2) the selling at retail from the premises
337 of sealed bottles or other sealed containers of beer brewed on such
338 premises, or in collaboration with at least one other holder of such a
339 permit, for consumption off the premises, and (3) the sale of sealed
340 bottles or other sealed containers of beer brewed on such premises to
341 the holder of a wholesaler permit issued pursuant to section 30-17,
342 provided the holder of such permit produces at least five thousand
343 gallons of beer on the premises annually. Such selling at retail from the
344 premises of sealed bottles or other sealed containers shall comply with

345 the provisions of subsection (d) of section 30-91 and shall permit not
346 more than nine gallons of beer to be sold to any person on any day on
347 which such sale is authorized under the provisions of subsection (d) of
348 section 30-91. The annual fee for a manufacturer permit for beer shall be
349 one thousand four hundred dollars. For the purposes of this subsection
350 and section 30-22d, as amended by this act, "collaboration" means an
351 arrangement, other than contract brewing or an alternating
352 proprietorship, under which the holder of a manufacturer permit for
353 beer issued under this subsection works together with at least one other
354 such permit holder to manufacture beer by, among other things, sharing
355 the beer recipe or at least forty-nine per cent of the ingredients or labor
356 necessary to manufacture such beer.

357 Sec. 7. Section 30-22d of the general statutes is repealed and the
358 following is substituted in lieu thereof (*Effective from passage*):

359 (a) For the purposes of this section:

360 (1) "Collaboration" has the same meaning as provided in subsection
361 (b) of section 30-16, as amended by this act; and

362 (2) "Craft cafe" means a space that (A) is located in a suitable and
363 permanent building, (B) is kept, maintained, used, advertised and held
364 out to the public to be a place where alcoholic liquor and food are served
365 at retail for consumption on the premises, (C) at all times has employed
366 therein an adequate number of employees, (D) does not include public
367 sleeping accommodations, and (E) need not necessarily have a dining
368 room or kitchen.

369 [(a)] (b) A Connecticut craft cafe permit shall allow the retail sale of
370 alcoholic liquor manufactured in this state to be consumed on the
371 premises of such craft cafe. If the holder of a Connecticut craft cafe
372 permit also holds a manufacturer permit for beer issued under
373 subsection (b) of section 30-16, as amended by this act, such holder may
374 sell, at retail for consumption on the permit premises, any brand of beer
375 that such holder manufactured in collaboration with at least one other
376 holder of such a manufacturer permit, provided not more than one such

377 brand of beer may be sold from the permit premises at any time. The
378 holder of [such] a Connecticut craft cafe permit shall keep food available
379 during a majority of the hours such permit premises are open [pursuant
380 to] under this subsection for sale to, and consumption by, customers on
381 [the] such permit premises. The availability of food from outside
382 vendors located on or near the permit premises shall be deemed
383 compliance with such requirement. The permit premises shall at all
384 times comply with all regulations of the local department of health.
385 Nothing [herein] in this section shall be construed to require that any
386 food be sold or purchased with any alcoholic liquor, [nor shall any] and
387 no rule, regulation or standard shall be promulgated or enforced
388 [requiring] to require that [the sale] sales of food be substantial or that
389 the business's receipts [of the business other than from the sale] from
390 sales of alcoholic liquor equal any set percentage of total receipts from
391 all sales made [therein] on the permit premises. A Connecticut craft cafe
392 permit shall allow, with [the prior approval of] the Department of
393 Consumer [Protection] Protection's prior approval and if allowed under
394 fire, zoning and health regulations, alcoholic liquor to be served at tables
395 in outside areas that are screened or not screened from public view,
396 [where permitted by fire, zoning and health regulations. If not required
397 by] If fire, zoning or health regulations [,] do not require that such areas
398 be enclosed by a fence or wall, [enclosing such outside areas shall not be
399 required by the Department of Consumer Protection. No] the
400 department shall not require that such areas be so enclosed. No such
401 fence or wall [used to enclose such outside areas] shall be less than thirty
402 inches high. [Such] A Connecticut craft cafe permit shall also authorize
403 the sale, at retail from the permit premises [of] for consumption off the
404 permit premises, of sealed containers supplied by the permittee of
405 draught beer, [for consumption off the premises] including, but not
406 limited to, beer manufactured in collaboration with at least one other
407 holder of a manufacturer permit for beer issued under subsection (b) of
408 section 30-16, as amended by this act, provided not more than one
409 collaboratively manufactured brand of beer may be sold from the permit
410 premises at any time. Such sales shall be conducted only during the
411 hours that the holder of a manufacturer permit for beer issued under

412 subsection (b) of section 30-16, as amended by this act, is permitted to
413 sell alcoholic liquor under the provisions of subsection (d) of section 30-
414 91. Not more than nine gallons of such beer shall be sold to any person
415 on any day on which the sale of alcoholic liquor is authorized under the
416 provisions of subsection (a) of section 30-91. The annual fee for [a] each
417 Connecticut craft cafe permit shall be three hundred dollars.

418 [(b) As used in subsection (a) of this section, "craft cafe" means space
419 in a suitable and permanent building, kept, used, maintained,
420 advertised and held out to the public to be a place where alcoholic liquor
421 and food is served for sale at retail for consumption on the premises but
422 that does not necessarily serve hot meals, as specified in subsection (a)
423 of this section, but shall have employed therein at all times an adequate
424 number of employees. "Cafe" does not include sleeping
425 accommodations for the public and need not necessarily have a kitchen
426 or dining room.]

427 (c) The holder of a Connecticut craft cafe permit may purchase, for
428 resale on such permit holder's premises, alcoholic liquor [for resale on
429 such permit holder's premises] from the holder of a [: (1) Manufacturer
430 permit for spirits issued pursuant to] manufacturer permit for: (1)
431 Spirits issued under subsection (a) of section 30-16, (2) [manufacturer
432 permit for beer issued pursuant to] beer issued under subsection (b) of
433 section 30-16, as amended by this act, (3) [manufacturer permit for] a
434 farm winery issued [pursuant to] under subsection (c) of section 30-16,
435 or (4) [manufacturer permit for] wine, cider and mead issued [pursuant
436 to] under subsection (d) of section 30-16. The holder of a Connecticut
437 craft cafe permit shall not purchase the same type of alcoholic liquor
438 such permit holder manufactures from any holder of a manufacturer
439 permit specified in subdivision (1), (2) or (3) of this subsection, except
440 any holder of a Connecticut craft cafe permit that also holds the
441 manufacturer permit specified in subdivision (2) of this subsection may
442 purchase from another holder of such a manufacturer permit beer that
443 the Connecticut craft cafe permit holder manufactured in collaboration
444 with another holder of such a manufacturer permit. The sale of such
445 alcoholic liquor shall not [be] comprise more than twenty per cent of the

446 Connecticut craft cafe permit holder's gross annual sales of all alcoholic
447 liquor sold for [on-premise] on-premises consumption.

448 Sec. 8. Section 30-76a of the general statutes is repealed and the
449 following is substituted in lieu thereof (*Effective from passage*):

450 A wholesaler permittee shall not sell alcoholic liquor to any persons
451 holding a temporary permit for outings, picnics or special gatherings
452 issued under section 30-35, or a charitable organization permit,
453 including a nonprofit public television corporation permit issued under
454 section 30-37d but [not including] excluding a nonprofit golf
455 tournament permit issued under section 30-37g. Holders of [said] such
456 permits shall purchase alcoholic liquor only from permittees holding
457 package store permits issued under subsection (a) of section 30-20 or
458 manufacturer permits issued under section 30-16, as amended by this
459 act. The provisions of this section shall not apply to the sale of beer in
460 kegs.

461 Sec. 9. Subsection (a) of section 7-255 of the 2022 supplement to the
462 general statutes is repealed and the following is substituted in lieu
463 thereof (*Effective October 1, 2022, and applicable to assessment years*
464 *commencing on or after October 1, 2022*):

465 (a) The water pollution control authority may establish and revise fair
466 and reasonable charges for connection with and for the use of a
467 sewerage system. The owner of property against which any such
468 connection or use charge is levied shall be liable for the payment thereof.
469 Municipally-owned and other tax-exempt property which uses the
470 sewerage system shall be subject to such charges under the same
471 conditions as are the owners of other property, but nothing herein shall
472 be deemed to authorize the levying of any property tax by any
473 municipality against any property exempt by the general statutes from
474 property taxation. No charge for connection with or for the use of a
475 sewerage system shall be established or revised until after a public
476 hearing before the water pollution control authority at which the owner
477 of property against which the charges are to be levied shall have an
478 opportunity to be heard concerning the proposed charges. Such hearing

479 may be conducted in person or by means of electronic equipment.
480 Notice of the time, place and purpose of such hearing shall be published
481 at least ten days before the date thereof in a newspaper having a general
482 circulation in the municipality and on the Internet web site of the
483 municipality. A copy of the proposed charges shall be on file in the office
484 of the clerk of the municipality and available for inspection by the public
485 for at least ten days before the date of such hearing. When the water
486 pollution control authority has established or revised such charges, it
487 shall file a copy thereof in the office of the clerk of the municipality and,
488 not later than five days after such filing, shall cause the same to be
489 published in a newspaper having a general circulation in the
490 municipality and on the Internet web site of the municipality. Such
491 publication shall state the date on which such charges were filed and the
492 time and manner of paying such charges and shall state that any appeals
493 from such charges must be taken within twenty-one days after such
494 filing. In establishing or revising such charges the water pollution
495 control authority may classify the property connected or to be connected
496 with the sewer system and the users of such system, including
497 categories of industrial users, and: [may] (1) May give consideration to
498 any factors relating to the kind, quality or extent of use of any such
499 property or classification of property or users including, but not limited
500 to, [(1)] (A) the volume of water discharged to the sewerage system, [(2)]
501 (B) the type or size of building connected with the sewerage system, [(3)]
502 (C) the number of plumbing fixtures connected with the sewerage
503 system, [(4)] (D) the number of persons customarily using the property
504 served by the sewerage system, [(5)] (E) in the case of commercial or
505 industrial property, the average number of employees and guests using
506 the property, and [(6)] (F) the quality and character of the material
507 discharged into the sewerage system. The water pollution control
508 authority may establish minimum charges for connection with and for
509 the use of a sewerage system; and (2) for assessment years beginning on
510 or after October 1, 2022, shall not consider the volume of water
511 consumed by the holders of manufacturer permits for beer issued under
512 subsection (b) of section 30-16, as amended by this act, in establishing or
513 revising charges to such holders for use of a sewerage system. Any

514 person aggrieved by any charge for connection with or for the use of a
 515 sewerage system may appeal to the superior court for the judicial
 516 district wherein the municipality is located and shall bring any such
 517 appeal to a return day of said court not less than twelve or more than
 518 thirty days after service thereof. The judgment of the court shall be final.

519 Sec. 10. Sections 30-37l to 30-37n, inclusive, of the general statutes are
 520 repealed. (*Effective from passage*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	30-39(b) and (c)
Sec. 3	<i>from passage</i>	30-43a
Sec. 4	<i>from passage</i>	30-48(a)
Sec. 5	<i>from passage</i>	30-91(j)
Sec. 6	<i>from passage</i>	30-16(b)
Sec. 7	<i>from passage</i>	30-22d
Sec. 8	<i>from passage</i>	30-76a
Sec. 9	<i>October 1, 2022, and applicable to assessment years commencing on or after October 1, 2022</i>	7-255(a)
Sec. 10	<i>from passage</i>	Repealer section

Statement of Legislative Commissioners:

In Section 1(a)(6)(A), "that" was changed to "such other", for consistency; in Section 1(d)(2), "available for" was changed to "available to", for clarity; in Section 4(a)(16), "any other or all of such classes" was changed to "one or more of such other classes", for clarity; and, in Section 7(b), "of" was inserted before "sealed", for clarity.

GL *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Resources of the General Fund	GF - Potential Revenue Gain	Less than 5,000	Less than 5,000
Department of Revenue Services	Various - Revenue Gain	Potential	Potential

Note: GF=General Fund; Various=Various

Municipal Impact: None

Explanation

The bill makes various changes to the Liquor Control Act resulting in a potential revenue gain to the state described below.

Sections 1-5 and 10 eliminate the wine festival permit and establish a festival permit for all alcoholic liquor resulting in a potential revenue gain of less than \$5,000 to the state to the extent additional permits are applied for. It's anticipated this permit will generate up to 20 applications¹.

Sections 6 - 8 result in a potential revenue gain to the state's sales and alcoholic beverages taxes by making the following modifications pertaining to sales of alcohol:

- Allowing beer manufacturers and certain craft café permittees to sell beer produced in collaboration with another brewery.
- Allowing certain temporary or charitable organization

¹ The fee for a wine festival permit is \$75.

permittees to purchase alcohol from manufacturer permittees, rather than only package stores.

Any impact would be only to the extent that there is an increase in alcohol sales rather than a shift from currently allowed transactions for alcohol.

Section 9 prohibits water pollution control authorities (WPCAs) from considering the volume of water consumed by beer manufacturers when setting sewerage fees. It is anticipated that any revenue loss a WPCA realizes as a result of this provision would be offset by increased sewer use fees and assessments on all users.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the number of permits applied for.

OLR Bill Analysis**sHB 5331*****AN ACT CONCERNING THE LIQUOR CONTROL ACT AND RELATED STATUTES.*****SUMMARY**

This bill makes various changes to the Liquor Control Act. Specifically, it does the following:

1. eliminates the current wine festival permit and establishes a new festival permit for all manufacturers of alcoholic liquor (e.g., spirits, wine, and beer) (§§ 1-5 & 10);
2. allows beer manufacturers and certain Connecticut craft cafes to sell beer brewed in collaboration with another beer manufacturer (e.g., sharing a recipe or providing at least 49% of the ingredients or labor) (§§ 6 & 7);
3. allows certain temporary or charitable organization permittees to purchase alcohol from manufacturer permittees, rather than from only package store permittees (§ 8); and
4. requires water pollution control authorities (WPCAs) to disregard the volume of water that manufacturer permittees for beer consumed when establishing or revising sewer charges (§ 9).

The bill also makes various technical and conforming changes.

EFFECTIVE DATE: Upon passage, except the water pollution control provision is effective October 1, 2022, and applicable to the assessment year beginning on or after that date.

§§ 1-5 & 10 — FESTIVAL PERMIT

The bill replaces the existing wine festival permit with a new festival permit for all alcoholic liquor manufacturers. Under the bill, the festival permit allows an eligible festival sponsor to organize and sponsor a festival in Connecticut by inviting domestic and foreign manufacturers to participate for up to four consecutive days. But the bill allows any municipality to prohibit, by ordinance or zoning regulation, festivals in the municipality. The fee for a festival permit is \$75, which is the same fee under current law for wine festival permits.

Under the bill, a “festival” is an organized and sponsored indoor or outdoor event that is attended by at least three domestic manufacturers. “Domestic manufacturers” are the holders of manufacturer permits for spirits; beer; a farm winery; or wine, cider, and mead. “Foreign manufacturers” are out-of-state people who, or out-of-state entities that do the following:

1. hold a valid permit or license issued by another state that allows them to manufacture alcoholic liquor in that state and
2. either (a) hold an out-of-state shipper’s permit for alcoholic liquor other than beer (CGS § 30-18), out-of-state winery shipper’s permit for wine (CGS § 30-18a), or out-of-state shipper’s permit for beer (CGS § 30-19) or (b) maintain an active alcoholic liquor brand registration with the Department of Consumer Protection (DCP).

Fire and Zoning

The bill prohibits the DCP commissioner from issuing a permit unless the eligible festival sponsor has the approvals required under local fire and zoning regulations. A “festival sponsor” means an eligible festival sponsor that receives and holds a festival permit and the “eligible festival sponsor” is an entity operating on a nonprofit basis in this state, including (1) an association, or its subsidiary, that promotes manufacturing and selling alcoholic liquor in Connecticut; (2) a civic organization operating in this state; and (3) a Connecticut municipality.

Disclosures

The bill requires the festival sponsor to disclose to each person who purchases admission, at the time of purchase, all restrictions and limitations for admission, including the maximum number of alcoholic drinks to which the person is entitled.

Sales and Shipping

The bill allows any domestic or foreign manufacturer to participate in a festival organized and sponsored by a festival sponsor that invites them to participate. During the festival the bill allows manufacturers to do the following for the alcohol they manufactured:

1. sell and directly ship to festival visitors at addresses inside or outside the state, if allowed by Connecticut law and the receiving state's laws;
2. offer free or paid samples or tastings of alcoholic liquor for consumption on the festival premises;
3. sell, at retail, bottles and other sealed containers of alcoholic liquor for consumption off the festival premises, subject to certain limitations (e.g., three liters of spirits per day and nine gallons of beer per day); and
4. sell, at retail, alcoholic liquor by the glass or receptacle for consumption on the festival premises, so long as each glass or receptacle is embossed or permanently labeled with the festival's name and date.

The bill prohibits participating manufacturers from giving, offering, or selling to any person or entity alcoholic liquor that the participating manufacturer did not manufacture. It also states that foreign manufacturers may not engage in an activity that is not allowed under the laws of the state where they are permitted or licensed.

Municipal Options

In addition to being able to prohibit these festivals, the bill allows municipalities to require, festival sponsors to ensure the following by

ordinance or zoning regulation:

1. restrooms, or enclosed portable toilets, are available either on or near the festival premises and
2. food is available to festival visitors for consumption on the festival premises during all operating hours; but no ordinance or zoning regulation may require a food purchase with an alcoholic beverage.

The bill also allows municipalities, by vote of a town meeting or by ordinance, to reduce the number of hours when retail sales, tastings, or samples may occur (see *Hours*, below).

Placarding and Remonstrance

By law, alcoholic liquor permit applicants must generally give notice of a new permit in the newspaper and place placards visible from the road that include certain information, such as the business' name and location. Additionally, individuals may file a remonstrance with DCP about an applicant's suitability or proposed location, and DCP must then hold a hearing. The bill exempts festival sponsors and festival permits from the requirements to affix and maintain a placard and from remonstrances.

Holding Two Permits

The bill also allows a festival permittee to be a holder or backer of one or more other classes of permits. By law, unless an exception is made, permittees of one class are not allowed to be a permittee of another class (CGS § 30-48(a)).

Hours

The bill sets the hours that a festival permittee may sell or provide samples or tastings as follows: between 8:00 a.m. and 10:00 p.m. on Monday through Saturday and between 10:00 a.m. and 6:00 p.m. on Sunday. (These hours generally mirror the hours when a package store may sell.)

§§ 6 & 7 — COLLABORATIVE BEER

The bill allows a manufacturer permittee for beer, or a Connecticut craft cafe permittee who is also a manufacturer for beer, to sell at retail beer brewed in collaboration with another beer manufacturer for on- or off-premises consumption. Craft cafe permittees may do so only if they sell one brand of the brewed beer from their premises at a time.

Under the bill, “collaboration” is an arrangement, other than contract brewing or an alternating proprietorship, where a beer manufacturer works with at least one beer other manufacturer by, among other things, sharing the beer recipe or at least 49% of the ingredients or labor needed to manufacture the beer.

Current law generally prohibits Connecticut craft cafe permittees from purchasing the same type of alcoholic liquor they manufacture. The bill allows these permittees that also hold a manufacturer beer permit to purchase the beer they manufacture in collaboration with another beer manufacturer permittee from that permittee. But, as under existing law, the beer cannot be more than 20% of the craft cafe permittee’s gross annual sales for on-premises consumption.

§ 8 — TEMPORARY AND CHARITABLE PERMITS

The bill allows temporary permittees for outings, picnics, or special gatherings and permittees for a charitable organization, including a nonprofit public television corporation, to purchase alcoholic liquor, other than beer in kegs, from manufacturer permittees. Under current law, they must purchase only from package stores.

§ 9 — WPCA CHARGES

By law, a WPCA may establish and revise fair and reasonable charges for connecting with and using a sewerage system. When setting these charges for assessment years beginning on or after October 1, 2022, the bill prohibits WPCAs from considering the volume of water consumed by holders of manufacturer permits for beer.

By law and unchanged by the bill, WPCAs, when setting these charges, may consider other factors related to the kind, quality, and

extent of use of properties (e.g., building size, number of plumbing fixtures and people using the property, and quality and character of discharge material). A WPCA may also have minimum charges to connect with and use a sewerage system.

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute

Yea 14 Nay 3 (03/15/2022)